

291

STATEMENT

**Insurance Association of Connecticut
Insurance and Real Estate Committee**

February 5, 2009

**SB 291, An Act Concerning Homeowners Insurance Policies
For People Who Own Dogs That Have Bitten A Person**

The Insurance Association of Connecticut is opposed to Proposed SB 291- An Act Concerning Homeowners Insurance Policies For People Who Own Dogs That Have Bitten A Person. SB 291 would prohibit Insurers from refusing to issue a homeowner's policy for people who own a dog that has bitten a person. This is not done anywhere else in the country.

According to the Center for Disease Control and Prevention (CDC), there are approximately 4.7 million dog bites per year. Half of the victims are children who tend to be bitten about their faces, neck and hands. These bites cost over \$1billion per year and approximately one-third of all payments are paid by the property-casualty industry. The average cost of a single dog bite claim is over \$24,000. Dog bite claims comprise one-quarter of all homeowner's liability claims.

Connecticut has recognized the serious nature of dog bites by making an owner strictly liable for a dog's actions. (C.G.S. Sec. 22-357) The severity of dog bites and the risk present by certain breeds has even lead to legislation and ordinances around the country banning or restricting the ownership of certain breeds. "Dangerous dog" legislation throughout the country has been enacted due to the increase likelihood that a dog that has bitten once will bite again. Yet insurers must assume a risk after a dog has already shown its propensity to cause harm?

Insurance is a risk-based business in which exposure to loss and the magnitude of such exposure determine an insurer's appetite to write certain

lines of coverage or exposures. This bill seeks to prevent insurers from assessing the risk and making business decisions to reflect the undeniable cost associated with the liability from dog bites and the risk presented by a dog that has bitten. The premium needed to be generated to be sufficient to cover the risk would be prohibitive. Although this bill permits an insurer to require a rider or a hold harmless provision, such provisions do nothing to eliminate the risk presented by such an animal. Hold harmless clauses and riders do not negate an insurer's obligation to defend its insured. Defense of such claims is expensive. Simply put SB 291 is nothing more than an unwarranted mandate on homeowner's insurance, resulting in improper cost shifting to other homeowners who do present the same level of risk.

The IAC urges your rejection of SB 291.